

PAY-ROLL TAX REBATE BILL 2012

Introduction and First Reading

Bill introduced, on motion by **Mr C.J. Barnett (Treasurer)**, and read a first time.

Explanatory memorandum presented by the Treasurer.

Second Reading

MR C.J. BARNETT (Cottesloe — Treasurer) [10.26 am]: I move —

That the bill be now read a second time.

This bill seeks to implement the government's 2012–13 budget commitment to provide a one-off payroll tax rebate to reduce the tax burden for small businesses and to help ensure that Western Australia remains an attractive place to do business. As announced in the budget, the bill provides that employers with Australia-wide payrolls of up to \$1.5 million will be paid a rebate to offset all their 2012–13 payroll tax liabilities. The maximum amount of the rebate for a business with a payroll of \$1.5 million will be \$41 250. The rebate will be phased down for employers who have Australia-wide payrolls between \$1.5 million and \$3 million. Eligibility for the rebate will be based on employers' nationally grouped payrolls, with a group of related employers being eligible for only one rebate. Employers who also pay wages in another jurisdiction will be entitled to the proportion of the group's rebate that relates to the Western Australian wages they have paid. The bill also accommodates the changing circumstances of an employer during the course of a year to ensure that the rebate paid is consistent with the payroll tax paid by the employer. The explanatory memorandum associated with this bill has detailed examples that clarify how the rebate will be calculated for employers who are grouped or whose status changes part way through the year. To be eligible for the rebate, an employer must be registered to pay payroll tax in Western Australia during the 2012–13 assessment year. The registration requirement will ensure that only those taxpayers who have complied with the requirements under the Pay-roll Tax Assessment Act to register and remit payroll tax will receive the rebate. The rebate has an estimated cost of \$128 million. I commend the bill to the house.

Debate adjourned, on motion by **Mrs C.A. Martin**.